

Autodesk Inc. Acquisition of Alias Inc. Announcement

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On October 4, 2005 Autodesk, Inc. (Nasdaq: ADSK) announced a definitive agreement to acquire Alias, a leading developer of 3D graphics technology, for USD \$182 million in cash. Founded as Alias Research in 1983, Alias is headquartered in Toronto, Canada and counts some of the world's premier entertainment and manufacturing companies as its customers. Its product line includes the Maya®, Alias MotionBuilder®, Alias StudioTools™ and Alias FBX® products. The acquisition is expected to be completed in four to six months.

General

Q1: What is being announced?

A1: Autodesk has signed a definitive agreement with Alias to acquire all of Alias. Alias is a leading developer of 3D graphics technology for the film and video, games, Web, interactive media, consumer products, industrial design, automotive, architecture and visualization markets. Founded as Alias Research in 1983, it counts some of the world's premier entertainment and manufacturing companies as its customers. The company offers many product lines, including the popular Maya, StudioTools, MotionBuilder and FBX products, and is headquartered in Toronto, Canada.

Q2: Why is Autodesk acquiring Alias?

A2: The acquisition is part of Autodesk's strategy to provide customers with the best in technology and industry talent for their design, data management and visualization needs. Alias brings new capabilities in 3D design to Autodesk and expands Autodesk's ability to provide customers with unparalleled choice in selecting solutions that are right for their needs. Autodesk anticipates that the acquisition will (a) allow Autodesk to establish a critical foothold in the first stage of product development, with the concept design teams in the automotive OEMs, (b) allow Autodesk to establish a foothold in the fast-growing consumer products market, and (c) expand its Media & Entertainment portfolio with Alias' Maya, MotionBuilder and FBX products.

Q3: Who proposed this deal? How did it transpire?

A3: Autodesk is always looking for companies with the best technology, the best people and the best customers to expand and complement what it already offers. Autodesk has known of Alias for many years. As Autodesk's own Media & Entertainment business improved and the general importance of design increased in automotive and consumer products, it made sense to look at Alias as a means to add new products and services to Autodesk.

Q4: How does the acquisition of Alias benefit Autodesk and its customers?

A4: Alias will complement and expand Autodesk's offering to the film and video, games, Web, interactive media, consumer products, industrial design, automotive, architecture, education and visualization markets. For example, Alias' products for the film industry will provide customers with an additional tool for pre-visualization, or modeling, animating and lighting realistic computer-generated creatures. Alias' StudioTools will bring conceptual design capabilities to Autodesk's manufacturing customers. By combining the two companies' products and services, we will create a suite of software and services that will let customers produce compelling products, movies, games and advertising more quickly, and with better data management capabilities, than ever before.

- Q5: Will planned product releases for Alias or Autodesk be affected and will Autodesk continue to support Alias' products?**
- A5:** We do not anticipate any changes with respect to planned product releases for both companies. And yes, Autodesk plans to continue to develop Alias products and utilize the strength of the combined organization to provide customers with continued innovation and technology development.
- Q6: What does Autodesk add to Alias' business?**
- A6:** This acquisition is an investment in people, software, services and technology. Autodesk and Alias have a similar vision - to help customers "realize their ideas" and bring their "imagination to life". Autodesk adds significantly to the Alias business because of its scale, global reach and financial success. The larger technology base and complementary intellectual property (IP) will allow for faster product development and enhanced innovation. Alias' customers will benefit from: the \$300 million that Autodesk spends in R&D, a single streamlined workflow, internationalized solutions and best-of-class distribution.
- Q7: Why didn't Autodesk buy Alias when it was for sale 18 months ago?**
- A7:** When Alias was acquired by its current owners – Accel-KKR and Ontario Teachers' Pension Plan, Autodesk had just initiated a major corporate-wide restructuring effort focusing on improving the company's efficiency and profitability. At the time, Autodesk felt that an acquisition would defocus it from those critical improvements to its business model. With that restructuring completed and a strong, execution-focused team in place, Autodesk now believes it is prepared to execute on this acquisition; as it will (a) allow Autodesk to establish a critical foothold in the first stage of product development, with the concept design teams in the automotive OEMs, (b) allow Autodesk to establish a foothold in the fast-growing consumer products market, and (c) expand Autodesk's Media & Entertainment portfolio with Alias' Maya, MotionBuilder and FBX products.
- Q8: Will Autodesk continue to support all existing Alias customers?**
- A8:** Yes. Autodesk plans to continue to support Alias customers through Autodesk's and Alias' combined worldwide support resources, web-based knowledge tools and worldwide channel partners. It is important to note that until the transaction closes, Alias and Autodesk will continue to act as independent companies and will support their customers through their respective support channels.
- Q9: Will there be an integration team in place and will Alias management be on the team?**
- A9:** Yes. We have planned for an integration team comprising key individuals from both companies, including employees from Autodesk's Manufacturing Solutions, Media & Entertainment and Consulting Divisions.

Transaction Details

Q10: How much is Autodesk paying for the transaction? What are the terms of the transaction? Is this a stock or cash transaction?

A10: Autodesk is paying USD \$182 million in cash for all of the stock of Alias.

Q11: What are Hart-Scott-Rodino guidelines for this transaction?

A11: Until the completion of the transaction, both Alias and Autodesk will continue to operate as independent companies and market and sell their separate products.

Q12: What is required to close the transaction and when is the transaction expected to close?

A12: Customary legal and regulatory approval is required for the transaction to close. The acquisition is expected to be completed in four to six months.

Company Organization

Q13: Will the Alias business report into existing organizations within Autodesk or will it be a stand-alone business unit?

A13: The Alias organization will be integrated appropriately into Autodesk's Manufacturing Solutions (MSD), Media & Entertainment (M&E) and Consulting divisions. Organizational integration will be further evaluated upon close of the transaction. Until that time both Alias and Autodesk continue to operate as independent companies.

Q14: How many employees does Alias have?

A14: Alias has approximately 600 employees. Autodesk is excited to welcome Alias' talented employees who will bring their unique skills and backgrounds to its team.

Q15: What is the anticipated impact on work force as a result of this transaction?

A15: When two successful companies come together, there will be duplications of functions and thus we expect cost savings through integration. However, the primary driver for the acquisition is to continue to grow our business and better serve our customers.

Q16: What does the Alias team bring to Autodesk?

A16: The Alias team consists of many talented people, including top experts, who complement Autodesk's experience in the media & entertainment and manufacturing industries. Alias is a leading developer of 3D graphics technology for the film and video, games, Web, interactive media, consumer products, industrial design, automotive, architecture, and visualization markets.

Q17: Alias and Autodesk have offices in the same cities. Which office will remain open and will there be office closures?

A17: We do not yet have information regarding office changes. We will communicate any such news when decisions are made. Once the acquisition is closed, we anticipate that facilities will be consolidated as appropriate. Autodesk plans that Toronto, the location of Alias' current headquarters, will remain a key presence.

Q18: Will Autodesk sell all of Alias' products?

A18: After the transaction closes, Autodesk plans to continue to sell all of the products currently offered by both organizations.

Products/Solutions

Q19: What opportunity is Autodesk addressing with the acquisition of Alias?

A19: Alias will complement and expand Autodesk's offering to the film and video, games, Web, interactive media, consumer products, industrial design, automotive, architecture, and visualization markets. For example, Alias' products for the film industry provide customers with an additional tool for pre-visualization, or modeling, animating and lighting realistic computer-generated creatures. Alias' StudioTools will bring conceptual design capabilities to Autodesk's manufacturing customers.

Alias' relationship with every major automobile manufacturer extends Autodesk's strong customer base in automotive parts manufacturing.

By combining the two companies' products and services, we will create a suite of software and services that will let customers produce compelling products, movies, games and advertising more quickly, and with better data management capabilities, than ever before.

Q20: What are the benefits of the combined product lines?

A20: Many customers already use products from both companies. The combined company will be able to offer streamlined workflow and tighter integration. However, until the close of the transaction, Autodesk and Alias will continue to operate as independent companies.

Q21: When are the benefits expected to be realized?

A21: Some benefits of efficiency and technology sharing may be realized upon close of the transaction. Others, related to areas such as innovation, product development and customer support, will be actualized over time.

Q22: Are there areas of duplication in Autodesk's and Alias' product lines? If so, how will they be addressed?

A22: Alias and Autodesk have product lines that are largely complementary. Many customers maintain products from both companies, and have chosen these products because of how suited they are at addressing particular needs. That same focus on product choice, to address particular customer needs, will be offered following the close of the transaction.

Q23: What platforms do the Autodesk® 3ds Max® and Alias' Maya software support?

A23: 3ds Max and Maya software products differ greatly in supported platforms. Maya software supports Linux®, Windows® and Macintosh® operating systems, making it the top choice for platform-sensitive segments like high-end film, whereas 3ds Max software is a Windows application that is used most often in world-building for games.

We expect customers to benefit from the wide range of platforms upon which the combined company will offer its products.

Q24: Will planned product releases for Alias or Autodesk be affected and will Autodesk continue to support Alias' products?

A24: We do not anticipate any changes with respect to planned product releases for both companies. And yes, Autodesk plans to continue to develop Alias products and utilize the strength of the combined organization to provide customers with continued innovation and technology development.

Q25: In what languages will the joint products be available?

A25: Alias products today are available in English. Autodesk's products today are available in a number of languages, including English, French, German, Korean, Simplified Chinese and Japanese. We plan to continue to support all languages the products are currently available in.

Q26: What will happen to the Alias brand?

A26: Autodesk recognizes the strong brand equities in Alias and its product brands. That said, it makes good business sense for the company to be combined under a single brand. Alias products will transition to the Autodesk brand over time and Autodesk will continue investing in key Alias product brands.

Customers and Partners

Q27: How will customers benefit from this acquisition?

A27: Customers across all segments will benefit from the acquisition. Combining the expertise of two successful companies, whose core offerings are complementary, will enable us to better serve shared customers through accelerated product innovation and enhanced service and support.

Q28: What is the future direction of Autodesk's product portfolio?

A28: By offering a more complete set of technologies for the film and video, animation, and game design industries, Autodesk will offer customers the chance to adopt integrated solutions from a single vendor, simplifying everything from training to upgrades. This means greater efficiencies, faster time to market or project completion, and less overall time from the conception of an idea to its realization.

The same is true in the manufacturing design space, where Autodesk can offer a wider range of design tools to a wider range of companies throughout complex supply chains.

Q29: Will Autodesk continue to support existing Alias customers?

A29: Yes. Once the transaction is closed Autodesk is committed to supporting all existing Alias customers through combined product offerings, channel partners, worldwide support organizations and consulting businesses.

Q30: Autodesk is many times larger than Alias. Will Alias customers get lost in the multitude of customers the combined company will be serving?

A30: We are fully committed to ensuring that each Alias customer is welcomed into the Autodesk family with the kind of support and relationship all Autodesk customers have come to expect.

Q31: Do you expect this acquisition to slow product progress at all?

A31: Autodesk will structure the post-acquisition organization to minimize any disruption to the existing product road maps and delivery commitments. Autodesk and Alias' original product schedules are still intact, independent of any acquisition activities. Product teams will be kept intact to help provide continuity in the releases of products following the acquisition's close.

Q32: I am a current Alias customer with a technical support contract. Will the terms and delivery processes for technical support change with this announcement?

A32: No. If you are an Alias customer you will continue to access your support via the usual channels and with the same phone numbers and web sites used in the past in line with your contracts.

Q33: Who should customers call to purchase Alias or Autodesk products and services or get customer service?

A33: As both Alias and Autodesk continue to operate as independent companies prior to the close of the transaction, customers are advised to contact their respective sales contact, reseller or support contact from each company. Sales, reseller and support contact information for both companies can be found at www.alias.com and www.autodesk.com.

Q34: Both Alias and Autodesk have strong partnerships with developer communities and technology partners. Will the acquisition affect that?

A34: Partnerships will continue to be integral to the success of both companies and we look forward to working with both companies' partners.

Q35: What does this mean for both Alias' and Autodesk's channel partners?

A35: The acquisition of Alias will enable Autodesk to grow its business with new product and new market opportunities. Many channel partners currently represent complementary products from both companies. We expect that following the close of the transaction, channel partners from both companies will benefit from product and market opportunities generated by the acquisition. Additionally, we expect the acquisition to generate operational efficiencies for channel partners' businesses.

Q36: I am a customer - how can I find more information about this announcement?

A36: You can find more information about this transaction by visiting the announcement web site at www.autodesk.com/autodeskandalias. Information is also posted at www.alias.com.

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